



Brandolyn Thomas Pinkston
Administrator

The State of South Carolina
Department of Consumer Affairs

3600 FOREST DRIVE
P.O. BOX 5757
COLUMBIA, S.C. 29250-5757

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Lonnie Randolph, Jr.
Chairman
Columbia
Mark Hammond
Secretary of State
Columbia
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Greenville
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Celebrating Over 30 Years of Public Service

February 22, 2007

Via US Mail

Mr. Robert G. Ainsworth
Rescue Debt, Inc.
1011 Brioso Dr., Suite 101
Costa Mesa, CA 92627

RE: South Carolina Department of Consumer Affairs vs. Rescue Debt, Inc.
Docket No. 06-ALJ-30-0645-IJ

Dear Mr. Ainsworth:

Pursuant to the enclosed Order issued by the Honorable John D. Geathers on October 9, 2006, the Department requires:

- (1) Rescue Debt, Inc., and its agents or assigns, **TO REFUND** all monies collected from South Carolina consumers, including approximately \$8,464 to four consumers known to the Department, who entered into contracts after December 1, 2005 at or through its office at 1011 Brioso Drive, Suite 101, Costa Mesa, California, or at or through any other locations. The four consumers are:

Rescue Debt must copy the Department on all refund letters, including a copy of the refund check, and

- (2) Rescue Debt, Inc., and its agents or assigns, **ARE ASSESSED** an administrative fine of \$56,500 for violations of the South Carolina Consumer Credit Counseling Act. Such fines are based on the review of the contract used with South Carolina consumers (Attached as Exhibits B1-4), a listing of South Carolina consumers with whom Rescue Debt, Inc. solicited and/or contracted (Attached as Exhibit A) and a listing of clients Rescue Debt, Inc. attempted to sell another company after the Department notified Rescue Debt of the need for licensure. (Attached as Exhibit C). The Department assessed a fine of five hundred dollars (\$500) per violation, not exceeding five thousand dollars (\$5,000) for the same set of transactions or occurrences.

TELEPHONE (AREA CODE 803)
ADMINISTRATOR
734-4197
ACCOUNTING
734-4264

PUBLIC INFORMATION
734-4191
E-mail: SCDCA@DCA.STATE.SC.US
www.sconsumer.gov

CONSUMER ADVOCACY
734-4200
(1) FAX: 734-4287
(2) FAX: 734-4286

INVESTIGATORS
734-4236
ENFORCEMENT
734-4236

CONSUMER COMPLAINTS
734-4200
WATS 1-800-922-1594
VOICE/TT - 1-800-735-2905



THE STATE OF SOUTH CAROLINA

Department of Consumer Affairs

Ainsworth

February 22, 2007

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The refunds and fines must be distributed/paid within sixty (60) days of receipt of this letter. You have the right to contest the Department's decision and can do so by requesting a contested case hearing with the Administrative Law Court (ALC). The hearing is requested through the ALC, using their forms and rules of procedure. Contact the ALC Clerk of Court at 803-734-0550 or obtain the forms and rules from their website at www.scalc.net. The hearing must be requested within thirty (30) days of receipt of this letter.

If you have any questions concerning this assessment, you may contact the Department at 803-734-4297.

Sincerely,

A handwritten signature in cursive script that reads "Carolyn R. Grube".

Carolyn R. Grube
Staff Attorney

Enclosures - as stated

cc: California Secretary of State's Office
California Department of Corporations- Enforcement Division



RescueDebt

711 W 17th St Suite H-7
Costa Mesa, Ca 92627

GREENVILLE, SC 29617

Re: DEBT SETTLEMENT

Client ID Number: 1002319

Congratulations, you are now taking one of the first steps necessary in resolving your high interest rate Credit Card debts. We look forward to helping you achieve your financial goals and becoming debt free.

Enclosed please find the following forms that will need to be signed and/or initialed and returned to us for processing:

1. Client Personal Information Worksheet
2. Debt Settlement Agreement "A" & "B"
3. Agreement (3 Pages).
4. Authorization to Negotiate.
5. Client Debit Authorization

We will also need you to send to us copies of your Creditors Statements for us to contact them.

Please make a copy of these forms for your files.

I trust this meets with your complete approval and if you have any questions please do not hesitate to call us.

Yours sincerely,

Todd Shaw

Sr. Counselor

**RescueDebt**

Phone: 800-256-2000

Fax: 949-574-2018

DEBT ELIMINATION ANALYSIS**CONFIDENTIAL**

Monday, November 14, 2005

PREPARED BY Todd Shaw SR. COUNSELOR

CLIENT ID: 1002319

CLIENT: S

CO-CLIENT:

HOME PHONE: :

WORK PHONE: f

CELL PHONE:

ADDRESS: :

GREENVILLE, SC 29617

EMAIL:

RESCUE DEBT PROGRAM ANALYSIS AND APPROVAL**SETTLEMENT CALCULATIONS**

TOTAL DEBT SEE DEBT WORKSHEET PG 2	\$ 26,339.00
ESTIMATED SETTLEMENT*	40%
SETTLEMENT AMOUNT	\$ 10,535.60
SERVICE FEE	12.00 %
SETTLEMENT & SERVICE FEES	\$ 13,696.28
PRINCIPLE SAVINGS	\$ 12,642.72

*PLEASE NOTE SETTLEMENTS CAN BE AS LOW AS 20% RESCUE DEBTS POLICY IS A TO ESTIMATE SETTLEMENTS CONSERVATIVELY.

MONTHLY SAVINGS

CURRENT MONTHLY PAYMENT	\$ 900.00
CURRENT MONTHS TO BE DEBT FREE	180
CURRENT CREDIT CARD DEBT TO INCOME %	47 %
New Monthly Savings	\$ 600.00
Payment Savings	\$ 300.00
GOOD FAITH DOWN PAYMENT	\$ 296.76 X 3
MONTHLY FEE AMOUNT	\$ 189.20
# OF MONTHS TO PAY FEES	12
ENDING CREDIT CARD DEBT TO INCOME %	0%
NEW # OF MONTHS TO BE DEBT FREE	23

Your ability to save each month will determine how quickly you will become debt free. The more you save the quicker you are debt free. Rescue Debt aims to have all clients completely debt free with a maximum of 36 months

MONTHS TO BE DEBT FREE	MONTHLY SAVINGS
12 MONTHS	\$ 1,141.36
24 MONTHS	\$ 570.68
36 MONTHS	\$ 380.45

PROGRAM STATUS**APPROVED****INTEREST SAVINGS****\$ 23,325.82****PRINCIPLE SAVINGS****\$ 12,642.72**

**TOTAL ESTIMATED
SAVINGS IN 23 MONTHS**

\$ 35,968.54

By signing you agree the information included is correct and accurate to the best of your knowledge. This is not a commitment or an agreement and is based on information provided by the client.



Measuring Debt

711 W 17th St Suite H-7
Costa Mesa, Ca 92627

DEBT SETTLEMENT AGREEMENT
PLAN WORKSHEET - EXHIBIT "B"

CLIENT:	CO-CLIENT:
TOTAL AMOUNT OF DEBT:	26,339.00
MONTHS TO BE DEBT FREE:	23
MONTHLY AMOUNT TO SAVE:	600.00
FIRST THREE PAYMENTS: (All payments are part of the savings, not extra)	296.75
MONTHLY PAYMENT:	189.20
<p>Please debit my account starting 12/17/2005 for the initial fee payment of \$296.75 for three months , and thereafter on the 17 day of each month in the amount of \$ 189.20 for 12 months. A last payment of \$ 189.22 will be made on 02/17/2007.</p>	

I authorize Rescue Debt (Vanco # ES6283) and Vanco Services, LLC to process debit entries from my account. This authority will remain in effect until I give reasonable notification to terminate this authorization or until the last specified payment date. I understand there will be a \$25.00 fee automatically charged to my account for any Insufficient funds (NSF) transactions. I have attached a voided check or savings deposit slip.

MARY BROWN
120 MAIN STREET, APT 45
YONKON (COUNTY STATE OHIO 5432)
PH: 123-456-7890

000701234 0301

Date _____

Pay to the order of _____ \$

Payable to the order of _____

YOUR FINANCIAL INSTITUTION
ANYTOWN, USA.

12345678901 0301 12345678901

PAGE 1

PLAN AGREEMENT*Bringing Peace of Mind to Americas Families*Applicant 3

Applicant's Spouse _____

Client ID 1002319Applicants Address _____ GREENVILLE, SC 29617**Plan Agreement**

This Debt Settlement Agreement ("Agreement") is made this November 14, 2005 between RESCUE DEBT, INC., a California corporation, ("RDI") and Jointly, ("Client").

In consideration of the condition and covenants contained in this Agreement, the parties agree as follows:

1. **Debt Services.** RDI agrees to provide debt settlement services to Client under the terms and conditions of this Agreement (the "Service"). This Service consists of structuring a savings budget for Client as well as negotiating with creditors on behalf of Client for reduction of unsecured debt. RDI will use its best efforts to settle the Debt, as defined below. RDI will promptly and efficiently perform the duties described in this AGREEMENT; will keep Client informed of progress in the pursuit of the case's objectives and will respond promptly to the Client's inquiries and communications. RDI will keep confidential and not disclose to any third party the personal financial information provided by Client.

2. **Client Obligations.** RDI's Service and the success of the Service is conditioned on Client performing the following obligations:

(a) A written list of all unsecured debts to be settled and restructured by RDI shall be provided by Client on the list attached hereto as Exhibit A. The total debt owed as set forth on Exhibit A shall be hereinafter referred to as the "Debt". RDI has the right in its sole discretion to exclude certain creditor accounts. Exhibit A will contain the name of each creditor with corresponding account number and outstanding balance. Creditor accounts added to the Debt after signing this Agreement will be subject to separate additional fees.

(b) Client will forward all correspondence received from creditors to RDI, including collection letters. If creditors telephone Client, Client will refer them to RDI. Client will not discuss

his/her financial situation with creditors or discuss settlement. If the creditor continues to make contact, Client will contact RDI and provide the creditor's name, telephone number and name of contact person.

(c) Client will timely respond to all calls and requests for documentation from RDI and will promptly advise RDI of any change in Client's address and/or telephone number. All information provided by Client shall be truthful and accurate and RDI is under no obligation to verify such information.

(d) At inception of the Agreement or during the term, Client will set aside in an existing bank account or fund in a new bank account (the "Client's Account") to which Client will make regular deposits in accordance with Exhibit B. Such fund shall be used to satisfy payment of the Debt in amounts negotiated by RDI and to pay RDI the Service fee. The number of months and amounts to be set aside each month in the Client's Account will be determined through the completion of the Worksheet attached hereto as Exhibit B which is hereby incorporated in and made a part of this Agreement. All funds set aside in the Client's Account shall be used for payment of Debt settlements and Service fees until the Debt is settled or upon termination.

(e) RDI will inform the Client of the amount, and terms and conditions of each written settlement offers, asking for Client's written approval. Client will promptly evaluate and approve, in Client's, reasonable discretion, the terms of any offer of settlement proposed by RDI to be made on Client's behalf, and any creditor's offer that Client desires to accept. Each such confirmation shall identify the account to be settled, the amount to be offered or paid, and the dates the funds are available to disburse to the creditor. Settlement payments will be made by Client. RDI will not settle Client's claim without the approval of Client. Client acknowledges Client's absolute right to accept or reject any settlement.

Initial Here: _____

**RESCUE DEBT,
Inc.****NATIONAL
HEADQUARTERS**711 West 17th Street, Suite 11-7
Costa Mesa, CA 92627
E-mail Info@rescuedebt.com

PAGE 2

*"Rescue Debt had us
Debt Free in only 18
months and we saved
over \$100,000 in
principal and interest"*

-Ron P: 7/12/03



**RESCUE DEBT,
Inc.**

NATIONAL
HEADQUARTERS

711 West 17th Street, suite H-7

Costa Mesa, CA 92627

E-mail info@rescuedebts.com

(f) Client grants RDI the right, on Clients behalf, to request, receive and discuss any and all account information with the Client's creditors. Client will execute an Authorization to Obtain Information, attached Exhibit "C".

3. **Compensation.** RD charges a Flat Fee for its initial review, analysis, and plan preparation.

The fee is payable either through monthly payment plan or through progress payments in consideration for the Service provided by RDI. Client shall pay to RDI (I) a fee which shall be due and payable upon a) acceptance into the Debt Settlement Program and b) delivery of an executed copy of this Agreement and. The Service fee owed to RDI will be paid monthly by Client pursuant to the schedule set forth on Exhibit B. Client authorizes RDI to initiate a debit of Client's checking or savings account pursuant to the attached Authorization Form for the payment of the Service fees which are non-refundable. RDI reserves the right to terminate this Agreement for excessive NSF's/reschedules. RDI will impose a \$25 service fee per NSF transaction

4. **Settlement Process.** RDI will commence the Service upon receipt of an executed copy of this Agreement and the initial service fee or portion thereof as calculated under paragraph 3. RDI will advise Client of all good faith settlement offers made by creditors. Client has the sole discretion to accept or reject any settlement offer.

5. **Term.** This Agreement will terminate when each of the credit accounts representing the Debt is satisfied or upon termination by either party as provided below.

6 **Acknowledgment and Disclaimers.** Client acknowledges and agrees that:

(a) The outcome or the time frame required to complete the contracted services of the negotiation Service RDI provides to Client is not guaranteed. Client understands that each situation is unique and that results will vary.

(b) The participation in the debt settlement program and performance of the Service in many instances will have an adverse effect on Client's credit rating. Client's credit rating was or will be impaired due to one or more of the following reasons; financial change, hardship, over-extended debt and related issues. RDI is not responsible for the actions of any creditor in response to settlement efforts.

(c) The Service does not include the modification, correction or improvement of Client's credit reports. RDI performs no credit repair services and RDI does not have any control over the reporting of credit bureaus. Upon settlement of

an account, RDI will send proof of settlement to Client which should be forwarded to credit bureaus,

(d) RDI does not perform any legal services or any tax representation, such as audit and verification, debt retirement, or IRS tax negotiation for Client. RDI may retain legal counsel on its own behalf in the performance of the Service, but such counsel represents RDI and not the Client.

(e) As needed pertaining to Clients Creditors legal actions, RDI will refer client to appropriate local legal representation. Any fees incurred are solely the obligation of Client.

(f) Each case is unique and individual results may vary. Client understands that contracted credit accounts will continue to accrue interest until the accounts are settled. Creditors may impose other penalties as a result of delinquent payments not excluding arbitration and/or filing a law suit to collect subject debts in the event creditor is unwilling to accept a settlement or Client is unable to propose a settlement acceptable to the creditor.

(g) The discharge of indebtedness of more than \$600.00 or more may be reported to the IRS as taxable income.

(g) Although RD is likely to expend a disproportionate time providing service in any one month of a Monthly Payment Plan, the parties agree that, in the event of Discharge or Withdrawal terminating this Agreement, RD has fully earned all fees it has received in payment.

Initial Here: _____

7. **Termination** Either party may terminate this Agreement upon five (5) days written notice to the other party. RDI may immediately terminate this Agreement if Client fails to timely return documents, fails to timely respond to RDI or fails to have sufficient money set aside to satisfy a negotiated and approved settlement. There is a \$75.00 processing fee for cancellations after 5 days and prior to the date of first payment.

IN THE EVENT OF DISCHARGE OR WITHDRAWAL, CLIENT WILL NOT BE OBLIGATED TO MAKE ANY FURTHER PAYMENT TO RD FOR FEES, BUT WILL BE LIABLE FOR REIMBURSEMENT TO RD OF ANY UNREIMBURSED COSTS ALREADY EXPENDED ON CLIENT'S BEHALF. UPON RD'S DISCHARGE OR WITHDRAWAL FROM THIS AGREEMENT, THE PARTIES AGREE

Initial Here: _____

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*Rescue Debt is the
leader at showing
people the path to
financial freedom.*



**RESCUE DEBT,
Inc.**

NATIONAL
HEADQUARTERS
711 West 17th Street, suite H-7
Costa Mesa, CA 92627
E-mail: Info@rescuedebts.com

THAT, IN EXCHANGE FOR CLIENT'S RELEASE FROM ANY FURTHER DUTY OF PAYMENT UPON THIS AGREEMENT, ALL FEES PREVIOUSLY PAID, INCLUDING THE NON-REFUNDABLE INITIAL DEPOSIT AND ANY MONTHLY PAYMENTS MADE IN ACCORDANCE WITH PARAGRAPH 3 OF THIS AGREEMENT HAVE BEEN EARNED IN FULL AND ARE NON-REFUNDABLE.

8. Arbitration. All disputes or claims between the parties related to this Agreement shall be submitted to binding arbitration in accordance with the commercial arbitration rules of American Arbitration Association. Any arbitration proceedings shall take place in Orange County, California. Judgment upon the decision of the arbitrator may be entered into any court having jurisdiction thereof. Each party shall pay the expenses of the American Arbitration Association and the arbitrator equally. Binding Arbitration means that both parties give up the right to a trial by jury. It also means that both parties give up the right to appeal from the arbitrator's ruling except for a narrow range of issues that are appealable under California law. It also means that discovery

may be severely limited by the arbitrator.

9. Miscellaneous. The laws of the State of California will govern this Agreement without regard to the conflict of laws provisions thereof complete and exclusive statement of the agreement, oral or written, and any other Client's This Agreement and the Exhibits are the debt This Agreement may not be changed, amended, terminated, rescinded or discharged, except by a writing executed by the parties hereto, and no waiver of any of the provisions or conditions of this Agreement or any of the rights of a party hereto shall be effective or binding unless such waiver shall be in writing and signed by the party claimed to have given such waiver. If any of the above provisions are held to be invalid or unenforceable, the remaining provisions will not be affected. The prevailing party in any action or proceeding related to this Agreement shall be entitled to recover reasonable legal fees and costs, including attorneys' fees, which may be incurred. No third party is intended as a beneficiary of this Agreement.

DATE

DATE

Rescue Debt, Inc.

By: _____
(sign above)

Date: _____

Initial Here: _____